



Memorandum from the Office of the Inspector General

April 21, 2025

Gregory J. Henrich

REQUEST FOR FINAL ACTION – AUDIT 2024-17523 – TRANSMISSION NETWORK CYBERSECURITY

Due to the importance of protecting TVA operations from external cyber events, the Office of the Inspector General performed an audit of TVA's transmission network cybersecurity. The audit scope was limited to a specific type of connectivity within TVA's transmission network. The audit objective was to determine the level of cybersecurity in place for this type of connectivity.

We conducted walkthroughs and interviews with TVA personnel to gain an understanding of the network connectivity. In addition, we reviewed cybersecurity measures in place and included those results in a risk assessment. We also assessed design, implementation, and effectiveness of internal controls significant to the audit objective, including configuration management, incident response, and network management access control.

We determined the connectivity within TVA's transmission network had a high level of cybersecurity in place commensurate with the level of associated risk. In addition, our testing of internal controls identified process improvements related to configuration management. We recommend the Senior Vice President, Grid, update configuration management processes to improve periodic reviews.

Specifics of the identified issue and detailed audit results are being withheld from public release due to their sensitive nature in relation to TVA's cybersecurity but were formally communicated to TVA management on March 7, 2025.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

TVA Management's Comments – In response to our draft report, TVA management agreed with our recommendations and provided planned actions. See the Appendix for TVA management's complete response.

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This report is for your review and final action. Your written comments, which addressed your management decision and actions planned, have been included in this report. Please notify us when final action is complete. In accordance with the Inspector General

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Act of 1978, as amended, the Office of the Inspector General is required to report to Congress semiannually regarding audits that remain unresolved after 6 months from the date of report issuance.

If you have any questions, please contact Scott A. Marler, Audit Manager, at (865) 633-7352 or Sarah E. Huffman, Director, Information Technology Audits, at (865) 633-7345. We appreciate the courtesy and cooperation received from your staff during the audit.



David P. Wheeler
Assistant Inspector General
(Audits and Evaluations)

SAM:KDS

cc: TVA Board of Directors
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OIG File No. 2024-17523

April 15, 2025

David P. Wheeler, WT 2C-K

RESPONSE: DRAFT EVALUATION 2024-17523 – Transmission Network Cybersecurity

Reference: OIG Memorandum dated March 19, 2025

Thank you for the opportunity to address the recommendation from DRAFT Evaluation 2024-17523 – Transmission Network Cybersecurity. After reviewing the report, we agree with the recommendation and have included the actions to be taken.

We would like to thank Scott Marler and his team for their professionalism and cooperation during this audit.

Recommendation 1: We recommend the Senior Vice President, Grid, update configuration management processes to improve periodic reviews.

Response: We agree with this recommendation.

System Operations will leverage Grid's Corrective Action program to develop an action plan that includes increased training and awareness, alongside improvements to existing processes and procedures.



Greg Henrich
Senior Vice President, Grid
MR 3H-C

CMC/EMB

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